

The Influence of Job Security and Psychological Contract Fulfilment on Organisational Citizenship Behaviour in Indian Private Life Insurance Sector

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Abstract

The goal of the article is to empirically link the employment security to the employee's organisational citizenship behaviour (OCB) with examining the impact of psychological contract fulfilment (PCF). The discretionary behaviour of the employees towards the organisation and towards other employees of the organisation is very crucial as this is the element which affects the productivity of the employees in the organisation and how much an employee is attached to his organisation is related to his OCB which he exhibits. This study proposes to interpret and examine the associations between psychological contract and OCB and job security (JS) in the Indian Life Insurance sector so as to raise the light for the managers in Life Insurance sector to improve JS, providing a better experience in terms of psychological contract which will improve their citizenship behaviour. The Life Insurance companies are at a struggle point of retaining their talented manpower as this sector is the budding sector of India which is growing at a rate of 32% annually. For this, promising the JS is the tool in their hand which will directly impact their OCB also and hence their performance will also boost up. Data was collected from 288 full time employees of private life insurance companies and then structural equation modelling was applied to study the relationship. The results demonstrate the positive and significant relationship of JS and PCF on the OCB in the private life insurance sector.

Keywords: Indian Life Insurance Industry, Job Security, Organisational Citizenship Behaviour, Psychological Contract Fulfilment and Structural Equation Modeling

Job Security

Job Security (JS) is one of the global observable facts among the employees as the influence of globalisation, financial hiccups, market competition and streamlining activities in the organisation have made it a serious affair (Kalleberg, 2009). The employees having a perception of losing their jobs have a low mindset towards their work performance, life and even health etc. as they are always threatful about their job continuity in the current organisation (Sverke et al., 2002; Lam et al., 2015; Shoss, 2017). Job insecurity has unfavourable effects on the job attitudes and behavioural attitudes like organisational commitment, organisational identification and organisational citizenship behaviour (OCB) (Mahmoud et al., 2021). Employees with poor JS get indulged in counterproductive behaviours, show poor performance and they make least deliberate contributions such as OCBs (Reisel et al., 2010). The undesirable outcomes of JS have been studied by number of studies (Hans, 2005; Wang et al., 2020). It has been demonstrated by various studies that low JS has led to undesirable behaviour of employees (Ma et al., 2015; Callea et al., 2016). Likewise, high JS can bring notable benefits to the companies and employees (Vuuren et al., 2020). The researchers have confirmed that the cause of stumpy job performance, unfavourable employee behaviour and OCB can be low JS (Ma et al., 2015, Callea et al., 2016). JS is one of the most studied and explored factors while studying the employee's performance in various service sectors, so the companies which are able to retain employees always stay on top in terms of performance and customer

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satisfaction (Cvetkoska et al., 2022). The reasons for job loss or job insecurity can be due to many factors such as industry recession, restructuring in the organisation, any interpersonal matters or any situation as working on contract for a certain duration (Shoss, 2017). Irrespective of the source or reason, job insecurity poses a considerable threat to the employees. Job insecurity has been defined as 'perceived powerlessness to maintain desired continuity in a threatened job situation' (Greenhalgh & Rosenblatt, 1984, p. 438).

This study addresses the issue of JS which has gotten less attention by the researchers in the Life Insurance sector of India. The aim of this article is to explain the relationship between JS and OCB along with the mechanism of psychological contract. The research focusing on why JS persuades the deliberate behaviour of employees is just limited and has ignored the role of many mediators in explaining it. Very few have studied the mechanism between JS and OCB, so there is a remarkable space to explore the various theories.

Organisational Citizenship Behaviour

OCB is the discretionary behaviour of the employees for which they are not obliged to show, but such behaviour is highly valued by the organisation because it benefits the firm in the long run. According to Organ (1988), this individualistic unrestricted behaviour is not however rewarded or appreciated in monetary terms but it promotes the image of the firm. And as accentuated in the study of Sverke et al. (2019), low JS negatively shapes such behaviours which are supporting the organisational effectiveness. As one component, the employees face restructuring decisions in the organisation which brings a sense of stumpy JS among them. While at the same time organisations are looking for a positive employee attitude by involving them in OCB. These two contradicting situations are the confronting aspects for the organisation. Emotional investment of the employees is must for the organisation to retain and engage them. The employee's engagement is key to lower absenteeism, better retention and improved performance and this discretionary behaviour defined by OCB is the highly preferred concept for the competitive environment (Soni & Mehta, 2022).

This study is related to the service sector as in this sector customer interactions with employees are more frequent

and related to long term sustainability and profitability of the business. Where the employee satisfaction and motivation along with financial wellbeing drives their performance and hence achieves the objectives of the organisation.

Psychological Contract Fulfilment

Several authors have clearly argued that research on psychological contract had largely ignored the one side of the concept related to fulfilment of the contract. Irrespective of the industry, the people who are working for an organisation couldn't reward or punish themselves; rather this work is to be done by their employer (Kanfer & Karoly, 1972). This type of trust and belief by the employees on the employer is not only one sided but the employer has certain expectations from the employees too. And this concept of mutual expectations is well denoted by the term called psychological contract. It is about the set of mutual obligations as perceived by both the parties. In contemporary times, psychological contract plays an important role in understanding the employment relationship. This is a dynamic and subjective oriented contract which changes over time with the changing needs and growing relationship with the employer (Millward & Brewerton, 2000). This is interpreted and analysed as an interface between the organisation and employees (Turnley & Feldman, 1998).

Hypotheses Development and Research Model

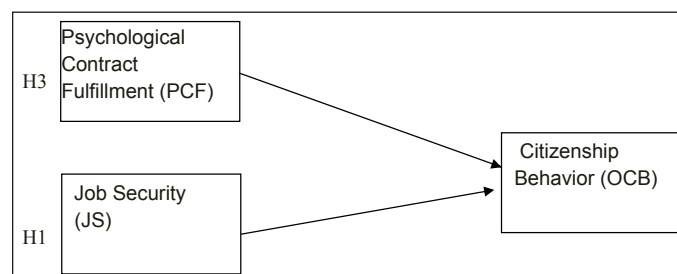


Fig. 1: Research Model

Job Security and Psychological Contract Fulfilment (PCF)

The employees show their reactions towards their employer on the concept of Social Exchange Theory on the basis of treatment received from the employer.

The Social exchange theory is a popularly accepted criterion for studying the relationship between various organisational practices and psychological contract fulfilment (PCF) and JS is one of those practices (Katou & Budhwar, 2012). In the context of employment relationships JS exerts a positive influence upon the PCF. JS practices make an important part of the various obligations and employer promises towards employees and hence JS positively affects the PCF (Uen, Chien & Yen, 2009). As it must that all policies of the company must be disclosed and communicated to the employees timely and properly but still there are many companies which do not abide by the human resource disclosure practices and such type of disclosures give the employees an insight that what are the company's policies regarding development, health and safety, different types of benefits for employee empowerment (Aggarwal, 2022). When JS drops, the employee feels that the employer has not fulfilled his commitments. Low level of JS could lead to non-fulfilment of psychological contracts (Cuyper & Witte, 2006).

JS and OCB

It is usually perceived by the employees that employment security is the part of their indirect contract from the employer side, and they expect that JS is the reward for them for their hard work done for the organisation (Piccoli et al., 2017). When an employee experiences high JS then he feels more attached to the organisation and demonstrates positive and favourable citizenship behaviour. Several studies have concluded with a positive relationship between JS and employee outcomes such as OCB in the domain of human resource (Dobbins & Gunnigle, 2009; Geary, 1992). Due to poor JS employees may feel under stress which negatively affect their behaviour and attitude towards the organisation. Employees put forth their efforts in the expectation of good pay, recognition and career growth but job insecurity puts a worse situation of poor performance and attitudinal issues. Here in this study we seek to examine the effects of JS provided to the employees on their attitudinal behaviour towards the organisation in the form of OCB. Here we assume that JS positively influences the OCB, as when organisations treat the employees in a fair way then they also exhibit positively toward their organisation. The research model is presented in Fig. 1. Based on above theoretical considerations the following hypothesis is presented.

H1 - Job Security has a significant influence on employee's OCB in Life insurance sector in India.

Psychological Contract Fulfilment (PCF) and OCB

Several researchers have argued and empirically proved that PCF is a strong precursor for extra-role-behaviour of employees at the workplace, which is OCB (Conway & Coyle-Shapiro, 2012). Newton et al. (2008) have mentioned in their study that PCF positively influences the behavioural outcomes and has a direct effect on perceived organisational support along with OCB (Ifzal & Mueen, 2018). It has been recommended by Alessandro Lo Presti et al. (2019) that a psychological contract is one of the prime determinants of OCB. PCF is the factor which makes an employee feel attached to his organisation and show favourable behaviour towards his employer. As it has been described and verified in above discussion that PCF has a positive and direct influence on OCB, we propose the following hypothesis.

H2 - Psychological contract fulfilment (PCF) has a significant influence on Organisational Citizenship Behaviour (OCB) in Life insurance sector in India.

Methodology

Questionnaire and Participants

For the study, the data has been collected from the private companies of the Life Insurance sector. The JS is of great concern for the private sector employees as they have to face this challenge off and on during their career. For data collection, the public-sector company Life Insurance Company was not considered as JS is the main variable of this study and in the public sector, the JS is not a serious challenge for the employees.

The full-time employees of five private companies were approached in the region of Delhi-NCR and Haryana. For data collection, the middle managers and upper middle managers were approached personally with a copy of the developed questionnaire and it is mentioned further which scales were used in the questionnaire to collect data. A total of 300 questionnaires were prepared to collect data and out of which 288 fully filled questionnaires were received

for the further analysis. To collect data non-probability sampling method with purposive technique was used for respondents' responses and hypotheses testing. To prepare the questionnaire some already validated scales of various authors related to JS, PCF and OCB were used. JS was measured using the six items scale developed by Gong et al., 2009. This scale measures the perceptions of employees towards their organisation for JS. To mention one sample item is 'Employees in this company can expect to stay for as long as they wish'. The scale was found suitable for the private life insurance sector to study about JS and was measured using a five-point scale with a range as 'strongly agree'-5 to 'strongly disagree'-1. To understand the employee perceptions for how well the employer has met his promises was measured using a scale for global measurement of PCF having four items in it and is adopted from Conway and Briner, 2002. A sample item is 'In general, this organisation has kept its promises to me about what I will get from them'. This type of global measurement scale is preferred when any of the specific parameters is not focused in the research rather the overall opinion of the employee matters more (Zhao et al., 2007). For this scale, the anchors ranged from 'strongly agree'-5 to 'strongly disagree'-1. For measuring the OCB, the scale of Organ et al. (2006) was used having 5 items in it. All the five items of OCB were measured on a five-point range scale as 'strongly agree'-5 to 'strongly disagree'-1. One sample item for it was 'I do extra work than the organisation required'.

The author has tested the reliability and validity of all the items of these three variables. The construct reliability of the items of each construct of JS (.919), OCB (.870) and

PCF (.893) were measured using Cronbach alpha, whose value must be between .07 and .09. So, all the values are highly reliable to show internal consistency in the data. Both the convergent and discriminant validity were tested by the authors using confirmatory factor analysis using AMOS 22. The Table 1 shows all the factor loadings whose value is above .05 for all the latent variables. And in the similar way CR and AVE also had the value above 0.7 and 0.5, respectively. This simply suggests that the requirements of validity are sufficiently met. It was statistically tested for fitness of the model and found that CMIN/Df was 2.185 which is less than the required value of 3. And other various required fit indices are GFI=.872 which is above the value of 0.8. And TLI=.930, CFI=.941 which should be above 0.9 while NFI=.897 which is above the value of 0.8. The RMSEA "root mean square error of approximation" had the value of 0.077 which is lesser than the essential value of 0.08. Hence, the measurement model is acceptable as all the results are in the required range of values. Table 1 shows all the fit indices and values for validity and reliability of constructs.

Harman Single Factor Common Method Bias

To identify the common method variance where it is assumed that if a single factor emerges or one over-all factor gets accountable for the majority of the covariance, then the chances of considerable volume of common method variance is expected to be present. Here the Harman Single factor method showed that only 33% of variance is explained by single factor, which depicts that this model is free from the problem of common bias as the variance % is below 50%.

Table 1

Item Name	Factor Loadings	Cronbach Alpha	CR	AVE
Job Security (JS)		0.91	0.915	0.648
JS1	0.934			
JS2	0.943			
JS3	0.85			
JS4	0.738			
JS5	0.675			
JS6	0.637			
Psychological Contract Fulfillment (PCF)		0.89	0.894	0.632
PCF1	0.899			
PCF2	0.905			

Item Name	Factor Loadings	Cronbach Alpha	CR	AVE
PCF3	0.81			
PCF4	0.737			
PCF5	0.581			
Organisational Citizenship Behaviour (OCB)		0.87	0.873	0.578
OCB1	0.779			
OCB2	0.727			
OCB3	0.727			
OCB4	0.783			
OCB5	0.786			

Notes: CR-composite reliability, AVE-average variance extracted.

Table 1: -Reliability and validity results, factor loadings.

Structural Model Assessment Results

A SEM (Structural Equation Model) was applied to test the relationship generated through AMOS. For the acceptance of model, the value of CMIN/df is <5 (Hair et al., 2010) and as mentioned above, the values of TLI, GFI and CFI fell within the acceptable range. The structural model was run to test the relationship for hypothesis testing. The article has two main hypotheses to understand the impact

of JS and PCF on employee's OCB in the private Life Insurance sector.

The squared multiple correlation was 0.32 for OCB, this shows that 32% variance in OCB is accounted for by JS and PCF. This study has assessed the impact of JS and PCF on OCB. The effect of JS on OCB was positive and significant ($b=.028$, $t=2.318$, $p<.001$), hence supporting the H1. Similarly, the influence of PCF on OCB was positive and significant ($b=.225$, $t=2.207$, $p<.001$) and hence H2 is supported.

Table 2: Hypotheses Relationships

Hypothesis Relationship	Standardized Estimates	T-Value	P-Value	Decision
Job Security->OCB	.028	2.318	<.001	Supported
Psychological Contract Fulfillment ->OCB	.225	2.207	<.001	Supported
R-Square – (OCB)	0.32			Significant

Source - Output from AMOS SEM.

Conclusion and Discussion

In Private sector, JS plays an important role for the employees, as it's a big threat for the employees to survive their jobs in a competitive pressurised environment. This research finds that perceived employment security significantly affects the employee's behavioural aspect and out of which OCB is the major concern for the organisations to keep the talented employees retained. The results of the study are consistent and similar to those other studies which also showed the positive effect of JS on the organisational citizenship behaviour (Lam et al., 2015, Cheng & Chan, 2008).

According to Ifzal and Mueen (2018), the psychological contract is one of the most important factors in how

employees perceive their company. Managers must therefore keep their commitments and fulfil their obligations. Managers need to be aware of true incentives rather than those that have been offered because they can affect how much an employee contributes to the company. Employees will be more poised and keen to invest their time and dynamism if the promises made by the employers are kept, and they will positively contribute to increasing performance and positive behaviour (Cheung & Chiu, 2004; Li et al., 2014).

This study has empirically tried to illustrate and represent that OCB is influenced by the JS perception of the employees as supported and provided by the organisation along with the impact of PCF. The developed hypotheses have been accepted for the life insurance sector depicting

the direct impact of JS and PCF on OCB. And above outcomes are in coordination with the outcomes of earlier studies done (Conway & Coyle-Shapiro, 2012; Fontinha et al., 2014 etc.). Employees anticipate substantial organisational endorsement and support in the form of PCF because we have recognized that OCBs are extra-role behaviours which are not supported by a proper incentive scheme of the organisation (Robinson & Morrison, 1995). The results of this study confirm that PCF plays a beneficial impact in increasing OCB. This claim is also consistent with earlier studies in which the researchers claim that participating in OCB is one way for workers to reward their employers for their good behaviour (Organ, 1990; Turnley et al., 2003). The study contributes to the existing literature related to the relationship of JS and positive employee behaviour such as OCB and in the past studies the breach of psychological contract has been explored much in comparison to the fulfilment of the psychological contract. This PCF plays an important structural framework role for the employee's attitudinal behaviour.

Managerial Implications

As the private Life Insurance sector is growing with rising demand of insurance by the population of India and employers are struggling to acquire and retain the talented manpower as it is a very customer centric industry where customer satisfaction is must. For the employees to perform these responsibilities, it must that their managers must give them realistic expectations and fulfil these obligations. As psychological contract is the first step stone of their perceptions towards their organisation and it is much needed to satisfy their expectations so that employees get motivated enough to provide innovative and supportive solutions to their customers with positive energy and dedication which ultimately will enhance the image of the employer as a supportive organisation. In private sector employment security is the concern for each and every employee as financial stability is the one concern which directly affects their extra-role behaviour and hence it influences the image of the organisation. As OCB is the indicator of a healthy relationship between the employer and employees. So, it's advised for the human resource managers of the organisation to maintain healthy policies in the organisation for the employment security and must focus on providing realistic promises

to employees which could be fulfilled easily. As any type of betrayal may lead to employee demotivation and so companies must focus on framing policies for employee betterment, career planning and overall fulfilment of promised policies.

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